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UNCLAS SECTION 01 OF 02 GUAYAQUIL 001231

SIPDIS

SENSITIVE

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SUBJECT: PSC SUPPORTS PRESIDENTIAL IMPEACHMENT

11. (SBU) Summary: On October 25, the Social Christian Party (PSC) leadership decided to follow through on party leader Leon Febres-Cordero's post-electoral threat to pursue impeachment proceedings for misuse of funds against President Lucio Gutierrez. PSC leaders tell us there are divisions within the party about pursuing this course, but also general reluctance to confront Febres-Cordero. Given half-hearted PSC support, it will be difficult for the opposition to attract the 67 votes required for impeachment. Unfortunately, this effort will divert the Congress from other urgent issues requiring Congressional action. End Summary.

## Resistance within PSC

- 12. (SBU) Nebot told the Ambassador and CG on October 26 that the role of Congress has become a "shameful spectacle," with only marginal influence on national policy. He said that while President Gutierrez is bad for Ecuador, Vice President Palacios could be worse. The Ambassador emphasized the costs of political instability, even by constitutional means, to Ecuadorian democracy and the economy. Without openly criticizing Febres-Cordero, Nebot implied his disagreement with the impeachment tactic, saying the only thing that would move him to challenge the Gutierrez government would be any cut to municipal tax resources. With international oil prices at an all-time high, he said, the Gutierrez government is less likely to do so. He denied any desire to run for president in 2006, and criticized Ecuador's record of negotiating international agreements.
- 13. (SBU) PSC President Pascual del Cioppo told PolChief in October 25 that he and the grouping within the PSC led by Guayaquil mayor Jaime Nebot disagrees with Febres-Cordero's decision. The Nebot group, which includes del Cioppo, Guayas prefect Nicolas Lapentti, and Manabi Congressman Simon Bustamante, believes ousting Gutierrez will damage national interests and is motivated by personal, not national motives. According to del Cioppo, Febres-Cordero and his inner circle of Miguel Orellana and Javier Niera are behind the move. Nebot and his supporters have been estranged from Febres-Cordero for some time; del Cioppo said the two men meet or talk only every two months. Nebot and Lapentti were furious with Febres-Cordero for dominating their election night victory press conference. Nebot did not attend the October 25 meeting; Febres-Cordero participated from New York by telephone.
- 14. (SBU) According to del Cioppo, Congressional support in favor of impeachment hovers around 60-62 votes, short of the 67 needed to impeach. The PSC will start the process using its own 25 votes to create an impeachment commission. The commission would be expected to submit its findings to the plenary the week of November 15. A simple majority of 51 votes will be required for Congress to declare that the recommendation to impeach has merit. Debate and a final vote would occur by December 9. Del Cioppo expressed some worry that the impeachment process might tempt Gutierrez to dissolve Congress.
- 15. (SBU) Divisions within the PSC over the merits of impeachment are already being reported publicly, undermining opposition support for the measure. Some opposition members (even from Pachakutik, formerly solidly in favor of impeachment) have criticized Febres-Cordero's motives. The President's wife, never a great defender of her husband's government, publicly declared in the wake of the PSC decision that the PRE and PRIAN will stick with the president. She said the Socialist Party (PS) and Popular Democracy Movement (MPD), usually counted among the pro-impeachment opposition, might also do so.

## Comment

16. (SBU) The decision by the PSC to go forward will not cause the fall of the Gutierrez government overnight, and at this early stage seems unlikely to come to fruition. While opposition to Gutierrez is high, Vice President

Palacios is not an appealing alternative to the opposition. None of our PSC or ID interlocutors are (yet) proposing to pass over the VP in favor of a consensus candidate, which would circumvent constitutional order.

17. (SBU) However, at a minimum, the PSC's move to get the ball rolling on impeachment will divert the Congress from pressing issues and prompt undesirable measures from the Executive to attract opposition votes. Both could negatively affect a variety of USG interests. We have therefore emphasized to the opposition the high cost of political instability. Nebot appears to have no stomach for challenging Febres-Cordero, and denies any desire to run for president in 2006.

HERBERT